

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

FINANCIAL REPORT

December 31, 2013

HILL, INZINA & COMPANY

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C O N T E N T S

	Page(s)
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	1 - 4
REQUIRED SUPPLEMENTARY INFORMATION (Part 1 of 2)	
Management's discussion and analysis	5 - 9
BASIC FINANCIAL STATEMENTS	
Government-wide financial statements:	
Statement of net position - primary government - governmental activities	10
Statement of activities - primary government - governmental activities	11
Fund financial statements:	
Balance sheet - governmental funds	12
Statement of revenues, expenditures, and changes in fund balances - governmental funds	13 and 14
Reconciliation of governmental funds balance sheet to government-wide statement of net position	15
Reconciliation of governmental funds statement of revenues, expenditures, and changes in fund balances to government-wide statement of activities	16
Notes to financial statements	17 - 35
REQUIRED SUPPLEMENTARY INFORMATION (Part 2 of 2)	
Budgetary comparison schedules - governmental funds:	
Schedule of revenues, expenditures, and changes in fund balances - budget and actual (non-GAAP budgetary basis) - governmental fund - general fund	36 and 37
Schedule of revenues, expenditures, and changes in fund balances - budget and actual (non-GAAP budgetary basis) - governmental fund - road maintenance fund	38
Schedule of revenues, expenditures, and changes in fund balances - budget and actual (non-GAAP budgetary basis) - governmental fund - drainage maintenance fund	39
Schedule of revenues, expenditures, and changes in fund balances - budget and actual (non-GAAP budgetary basis) - governmental fund - library fund	40

OTHER SUPPLEMENTARY INFORMATION

Combining financial statements:

Combining balance sheet - non-major governmental funds 41

Combining statement of revenues, expenditures, and changes in fund
balances - non-major governmental funds 42

Schedule of jurors' compensation 43

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

44 and 45

SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH
MANAGEMENT'S RESPONSE AND PLANNED CORRECTIVE ACTION

46 and 47

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

48

HILL, INZINA & COMPANY

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richland Parish Police Jury (the "Jury"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Jury's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Jury's preparation and fair presentation of the financial statements in order to design

audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Jury's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information

The financial statements referred to above do not include financial data for all of the Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Jury's primary government unless the Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Jury has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the aggregate discretely presented component units that would have been presented are not reasonably determinable. In addition, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures of the aggregate remaining fund information would have increased by an amount that is also not reasonably determinable.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Jury as of December 31, 2013, or the changes in financial position thereof for the year then ended.

Qualified Opinion on Aggregate Remaining Fund Information

In our opinion, except for the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate fund information of the Jury as of December 31, 2013, and the changes in financial position thereof for the year then ended in accordance with accounting principles in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jury as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedule be presented to supplement the basic financial statements of the Jury's primary government. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Jury's primary government. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2014, on our consideration of the Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jury's internal control over financial reporting and compliance.

/s/ Hill, Inzina & Co.

June 15, 2014

REQUIRED SUPPLEMENTARY INFORMATION (Part 1 of 2)

RICHLAND PARISH POLICE JURY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the Year Ended December 31, 2013

As management of Richland Parish Police Jury (the "Jury"), we offer readers of the financial statements of the Jury's primary government this narrative overview and analysis of the financial activities of the Jury for the fiscal year ended December 31, 2013. This discussion and analysis of management is designed to provide an objective and easy-to-read analysis of the Jury's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Jury's finances. It is also intended to provide readers with an analysis of the short-term and long-term activities of the Jury based on information presented in the financial report and fiscal policies that have been adopted by the Jury. Specifically, this section is designed to assist the readers in focusing on significant financial issues, provide an overview of the Jury's financial activity, identify changes in the Jury's financial position (its ability to address the next and subsequent years' challenges), identify any material deviations from the financial plan (the approved budget), and identify individual issues or concerns of individual funds.

As with other sections of this financial report, the information contained within this discussion and analysis of management should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and supplementary information that are provided in addition to this discussion and analysis of management.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Jury's financial statements. The Jury's basic financial statements consist of the following components:

1. Government-wide financial statements.
2. Fund financial statements.
3. Notes to financial statements.

In addition to the basic financial statements, the Jury also includes in a subsequent section of this report additional information to supplement the basic financial statements.

1. Government-wide financial statements

Government-wide financial statements are designed by the GASB Statement No. 34 to change the way in which government financial statements are presented. It now provides readers for the first time with a concise "entity-wide" statement of net position and statement of activities, seeking to give the users of the financial statements a broad overview of the Jury's financial position and results of operations in a manner similar to a private-sector business.

The statement of net position presents information on all of the Jury's assets, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies, with the elimination of internal activities. The difference between assets, liabilities, and deferred inflows of resources is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Jury is improving or weakening. Evaluation of the overall economic health of the Jury would extend to other nonfinancial factors in addition to the financial information provided in this report.

The statement of activities presents information detailing how the Jury's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of this statement is to show the financial reliance of the Jury's distinct activities or functions on revenues provided by the citizenry of the parish.

The government-wide financial statements report governmental activities of the Jury that are principally supported by taxes and intergovernmental revenues. Governmental activities include general government, public safety, public works, health and welfare, culture and recreation, economic development and assistance, and debt service.

2. Fund financial statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Jury uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Jury's most significant funds rather than the Jury as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The Jury has only one fund type. Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Jury's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and commitment of spendable resources for the near-term.

As the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. A reconciliation from both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances to the government-wide statements is provided to assist in understanding the differences between these two perspectives.

3. Notes to financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Government-Wide Financial Analysis

The following provides a summary of the net position of the Jury's governmental activities as of December 31:

	<u>2013</u>	<u>2012</u>
Other assets	\$ 10,680,928	\$ 9,443,552
Capital assets	<u>2,438,020</u>	<u>2,520,711</u>
Total assets	<u>\$ 13,118,948</u>	<u>\$ 11,964,263</u>
Other liabilities	\$ 314,807	\$ 3,059,037
Long-term liabilities	<u>-</u>	<u>84,000</u>
Total liabilities	<u>\$ 314,807</u>	<u>\$ 3,143,037</u>
Deferred inflows of resources	<u>\$ 2,680,349</u>	<u>\$ -</u>
Net position:		
Invested in capital assets	\$ 2,438,020	\$ 2,436,711
Restricted for debt service	-	86,051
Restricted for special revenue	6,161,125	5,026,659
Unrestricted	<u>1,524,647</u>	<u>1,271,805</u>
Total net position	<u>\$ 10,123,792</u>	<u>\$ 8,821,226</u>

As noted earlier, net position may serve over time as a useful indicator of the Jury's financial position. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Jury's ability to use that net position for day-to-day operations. The Jury will use the unrestricted net position to meet the ongoing obligations to users of its services and creditors.

The following provides a summary of the Jury's net position changes between the two years ended December 31:

	<u>2013</u>	<u>2012</u>
Revenues and special item:		
Program revenues:		
Charges for services	\$ 386,951	\$ 1,001,694
Operating grants and contributions	694,693	691,728
Capital grants and contributions	-	23,700
General revenues:		
Taxes	7,465,263	6,650,058
Intergovernmental	258,034	226,064
Unrestricted investment earnings and miscellaneous	42,240	101,798
Special item:		
Gain on sale of capital assets	6,450	4,350
Total revenues and special item	<u>\$ 8,853,631</u>	<u>\$ 8,699,392</u>
Expenses:		
General government	\$ 892,092	\$ 1,156,207
Public safety	560,062	265,009
Public works	4,957,389	4,738,454
Health and welfare	269,329	286,867
Culture and recreation	740,850	714,787
Economic development and assistance	129,347	274,321
Debt service	1,995	3,493
Total expenses	<u>\$ 7,551,064</u>	<u>\$ 7,439,138</u>
Change in net position	\$ 1,302,567	\$ 1,260,254
Net position - beginning	8,821,225	7,682,693
Residual equity transfer in (out)	<u>-</u>	<u>(121,722)</u>
Net position - ending	<u>\$ 10,123,792</u>	<u>\$ 8,821,225</u>

The Jury's total revenues and expenditures increased only by \$154,239 and \$111,926, respectively.

Program revenues derive directly from the program itself or from parties outside the Jury's taxpayers or citizenry. As a whole, they reduce the cost of the function to be financed from the Jury's general revenues. General revenues are used to pay for governmental activities whose cost is not reduced by program revenues. The Jury was heavily reliant on general revenues to support governmental operations for both years.

General government and public works were the Jury's largest expenses for both years with both also having significant tax-based (general revenue) funding.

Financial Analysis of Governmental Funds

The Jury's major governmental funds and related fund balances as of December 31 were:

	<u>2013</u>	<u>2012</u>
General	\$ 1,524,647	\$ 1,271,805
Road Maintenance	1,333,484	1,177,660
Drainage Maintenance	1,551,111	1,340,300
Library	2,668,702	2,016,937

Determination of the Jury's major governmental funds are made for each audit period. The majority of the fund balances of the governmental funds as of December 31, 2013 was restricted for special revenue.

Budgetary Highlights

Budgets for all required funds were adopted for the year ended December 31, 2013 which complied with financial policies approved by the jurors and maintained core Jury services. There were no significant (exceeding 5% or more) budget variances in the major funds for the year ended December 31, 2013.

Capital Assets and Debt Administration

The Jury's only capital asset additions during the current fiscal year were vehicles and equipment purchased with available funds. Depreciation of capital assets of \$282,422 for the year ended December 31, 2013 was recorded in the governmental activities of the government-wide financial statements.

During the year ended December 31, 2013, the Jury acquired no new debt. At the end of the fiscal year, the Jury had no outstanding long-term liabilities.

Economic Factors and Next Year's Budget

The Jury's original budgets for the year ending December 31, 2014 were prepared based on a projected increase in taxes and grants. The 2014 original combined budget totaled \$19,158,683 compared to the 2013 original budget of \$15,707,587.

Requests for Information

This financial report is designed to provide a general overview of the Jury's financial picture for all those with an interest in the Jury's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Secretary/Treasurer, Post Office Box 668, Rayville, Louisiana 71269-0668.

BASIC FINANCIAL STATEMENTS

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

STATEMENT OF NET POSITION - PRIMARY GOVERNMENT -
GOVERNMENTAL ACTIVITIES
December 31 , 2013

ASSETS

Cash	\$ 7,877,011
Receivables	2,803,917
Capital assets:	
Land	300,273
Other capital assets, net of depreciation	<u>2,137,747</u>
Total assets	<u>\$ 13,118,948</u>

LIABILITIES

Accounts payable	\$ 219,835
Payroll accruals and withholding	<u>94,972</u>
Total liabilities	<u>\$ 314,807</u>

DEFERRED INFLOWS OF RESOURCES

Property taxes	<u>\$ 2,680,349</u>
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NET POSITION

Invested in capital assets	\$ 2,438,020
Restricted for special revenue	6,161,125
Unrestricted	<u>1,524,647</u>
Total net position	<u>\$ 10,123,792</u>

See notes to financial statements.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

STATEMENT OF ACTIVITIES - PRIMARY GOVERNMENT -
GOVERNMENTAL ACTIVITIES
For the Year Ended December 31, 2013

		<u>Program Revenues</u>			Net (Expense)
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
Functions/Programs:		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
Current:					
General government:					
Legislative	\$ 273,649	\$ -	\$ -	\$ -	\$(273,649)
Judicial	112,369	7,871	15,126	-	(89,372)
Elections	38,823	-	-	-	(38,823)
Finance and administrative	346,145	159,952	-	-	(186,193)
Other	121,106	41,578	-	-	(79,528)
Public safety	560,062	42,218	151,785	-	(366,059)
Public works	4,957,389	120,135	527,782	-	(4,309,472)
Health and welfare	269,329	-	-	-	(269,329)
Culture and recreation	740,850	15,197	-	-	(725,653)
Economic development and assistance	129,347	-	-	-	(129,347)
Debt service:					
Interest	<u>1,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,995)</u>
 Total governmental activities	 <u>\$ 7,551,064</u>	 <u>\$ 386,951</u>	 <u>\$ 694,693</u>	 <u>\$ -</u>	 <u>\$(6,469,420)</u>
 General revenues:					
Taxes					\$ 7,465,263
Intergovernmental					258,034
Unrestricted investment earnings and miscellaneous					42,240
Special item:					
Gain on sale of capital assets					<u>6,450</u>
Total general revenues and special item					<u>\$ 7,771,987</u>
Change in net position					\$ 1,302,567
Net position - beginning					<u>8,821,225</u>
Net position - ending					<u>\$ 10,123,792</u>

See notes to financial statements.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Road Maintenance</u>
ASSETS			
Cash	\$ 1,633,419	\$ 10,760	\$ 1,368,509
Receivables	1,120,447	51,750	52,545
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,753,866</u>	<u>\$ 62,510</u>	<u>\$ 1,421,054</u>
LIABILITIES			
Accounts payable	\$ 28,572	\$ 62,510	\$ 79,535
Payroll accruals and withholdings	94,972	-	-
Due to other funds	4,501	-	8,035
Total liabilities	<u>\$ 128,045</u>	<u>\$ 62,510</u>	<u>\$ 87,570</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	<u>\$ 1,101,174</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE			
Restricted for special revenue	\$ -	\$ -	\$ 1,333,484
Unassigned	1,524,647	-	-
Total fund balances	<u>\$ 1,524,647</u>	<u>\$ -</u>	<u>\$ 1,333,484</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,753,866</u>	<u>\$ 62,510</u>	<u>\$ 1,421,054</u>

See notes to financial statements.

<u>Drainage Maintenance</u>	<u>Library</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 1,554,023	\$ 2,672,884	\$ 637,416	\$ 7,877,011
-	1,343,506	235,669	2,803,917
<u>8,035</u>	<u>3,811</u>	<u>690</u>	<u>12,536</u>
<u>\$ 1,562,058</u>	<u>\$ 4,020,201</u>	<u>\$ 873,775</u>	<u>\$ 10,693,464</u>
\$ 10,947	\$ 7,993	\$ 30,278	\$ 219,835
-	-	-	94,972
-	-	-	12,536
<u>\$ 10,947</u>	<u>\$ 7,993</u>	<u>\$ 30,278</u>	<u>\$ 327,343</u>
<u>\$ -</u>	<u>\$ 1,343,506</u>	<u>\$ 235,669</u>	<u>\$ 2,680,349</u>
\$ 1,551,111	\$ 2,668,702	\$ 607,828	\$ 6,161,125
-	-	-	1,524,647
<u>\$ 1,551,111</u>	<u>\$ 2,668,702</u>	<u>\$ 607,828</u>	<u>\$ 7,685,772</u>
<u>\$ 1,562,058</u>	<u>\$ 4,020,201</u>	<u>\$ 873,775</u>	<u>\$ 10,693,464</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Road Maintenance</u>
Revenues:			
Taxes	\$ 1,084,567	\$ -	\$ 2,979,009
Licenses and permits	159,952	-	-
Intergovernmental	360,642	142,615	351,675
Fees, charges, and commissions for services	58,590	-	118,958
Fines and forfeitures	7,871	-	-
Interest and miscellaneous	6,459	15,257	9,545
Total revenues	<u>\$ 1,678,081</u>	<u>\$ 142,615</u>	<u>\$ 3,459,187</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 273,649	\$ -	\$ -
Judicial	86,825	-	-
Elections	38,823	-	-
Finance and administrative	346,145	-	-
Other	92,560	-	-
Public safety	271,131	-	-
Public works	-	142,615	3,232,489
Health and welfare	72,051	-	-
Culture and recreation	-	-	-
Economic development and assistance	129,347	-	-
Debt service	-	-	-
Capital outlay	114,707	-	77,324
Total expenditures	<u>\$ 1,425,238</u>	<u>\$ 142,615</u>	<u>\$ 3,309,813</u>

<u>Drainage Maintenance</u>	<u>Library</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 1,549,724	\$ 1,300,036	\$ 551,927	\$ 7,465,263
-	-	-	159,952
33,492	50,631	13,672	952,727
1,177	5,623	235	184,583
-	9,574	24,971	42,416
2,895	21,282	2,059	42,240
<u>\$ 1,587,288</u>	<u>\$ 1,387,146</u>	<u>\$ 592,864</u>	<u>\$ 8,847,181</u>

\$ -	\$ -	\$ -	\$ 273,649
-	-	24,630	111,455
-	-	-	38,823
-	-	-	346,145
-	-	-	92,560
-	-	271,066	542,197
1,376,477	-	3,680	4,755,261
-	-	169,778	241,829
-	735,381	-	735,381
-	-	-	129,347
-	-	85,995	85,995
-	-	7,700	199,731
<u>\$ 1,376,477</u>	<u>\$ 735,381</u>	<u>\$ 562,849</u>	<u>\$ 7,552,373</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (Continued)

For the Year Ended December 31, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Road Maintenance</u>
Excess of revenues over expenditures	\$ 252,843	\$ -	\$ 149,374
Other financing sources :			
Sale of capital assets	<u>-</u>	<u>-</u>	<u>6,450</u>
Net changes in fund balances	\$ 252,843	\$ -	\$ 155,824
Fund balances - beginning	<u>1,271,804</u>	<u>-</u>	<u>1,177,660</u>
Fund balances - ending	<u><u>\$ 1,524,647</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,333,484</u></u>

See notes to financial statements.

<u>Drainage Maintenance</u>	<u>Library</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 210,811	\$ 651,765	\$ 30,015	\$ 1,294,808
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,450</u>
\$ 210,811	\$ 651,765	\$ 30,015	\$ 1,301,258
<u>1,340,300</u>	<u>2,016,937</u>	<u>577,813</u>	<u>6,384,514</u>
<u><u>\$ 1,551,111</u></u>	<u><u>\$ 2,668,702</u></u>	<u><u>\$ 607,828</u></u>	<u><u>\$ 7,685,772</u></u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2013

Total fund balances - governmental funds balance sheet	\$ 7,685,772
Amounts reported for governmental activities in statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>2,438,020</u>
Total net position of governmental activities - government-wide statement of net position	<u><u>\$ 10,123,792</u></u>

See notes to financial statements.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
December 31, 2013

Net changes in fund balances - governmental funds	\$ 1,301,258
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Amounts reported for governmental activities in statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$282,422) exceeded capital outlay (\$199,731) in the current period.	(82,691)
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Governmental funds report principal and interest payments on long-term obligations as an expense when actually paid. However, in the statement of activities, interest is expensed as accrued and principal payments are reported as reductions of the related debt. This is the amount related to these reporting differences.	<u>84,000</u>
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Changes in net position of governmental activities - government-wide statement of activities	<u><u>\$ 1,302,567</u></u>
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See notes to financial statements.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013

Note 1. Organization and Summary of Significant Accounting Policies

Richland Parish Police Jury (the "Jury") is the governing authority for Richland Parish and is a political subdivision of State of Louisiana. The Jury is governed by nine compensated jurors representing, by election, the various districts within the parish. The jurors serve four-year terms that will expire on December 31, 2015.

Louisiana Revised Statute 33:1236 gives the Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of these are the powers to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks in part is provided by property taxes, sales taxes, severance taxes, permits, state revenue sharing, and various other state and federal grants.

The parish is located in northeast Louisiana and its population is 20,725. Approximately 575 miles of roads are maintained by the parish. The Jury employs approximately 100 people.

In accomplishing its objectives, the Jury also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protection, water distribution, sewerage collection and disposal, and health care facilities.

The more significant of the Jury's accounting policies are described below:

Financial Reporting Entity:

As the governing authority of the parish, for reporting purposes, the Jury is the financial reporting entity for Richland Parish. The financial reporting entity consists of (a) the primary government (Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

NOTES TO FINANCIAL STATEMENTS

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be considered part of the Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. the ability of the Jury to impose its will on that organization and/or,
 - b. the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Jury.
2. Organizations for which the Jury does not appoint a voting majority but are fiscally dependent on the Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Jury has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Fifth Judicial District Criminal Court Fund	12-31	3
Northside Utility District No. 2	12-31	1
Richland Parish Hospital Service Districts No. 1, 1A, 1B, and 1C	9-30	1 and 2
Start-Girard Fire Protection District	12-31	1
Archibald-Alto Fire Protection District	12-31	1
Holly Ridge Fire Protection District	12-31	1
Mangham Fire Protection District	12-31	1
Richland Parish Communications District	12-31	1
Richland Parish Fire Protection District No. 8	12-31	1
Richland Parish Sales and Use Tax Commission	6-30	2
Ward One Rural Fire Protection District	12-31	1

NOTES TO FINANCIAL STATEMENTS

The primary government's (Jury's) financial statements include all funds under the Jury's control and certain organizations for which the Jury maintains the accounting records. The Jury maintains the accounting records for Fifth Judicial District Criminal Court Fund. This fund is considered a part of the Jury and is included in the primary government financial statements. The Jury has chosen to issue financial statements of the primary government (Jury) only; therefore, none of the other previously listed component units are included in the accompanying financial statements. The effect of the omission of these component units is unknown.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Jury's) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (Jury).

Also considered in the determination of component units of the reporting entity were Richland Parish Sheriff, Richland Parish Clerk of Court, Richland Parish Tax Assessor, Richland Parish School Board, District Attorney and Judges for the Fifth Judicial District, and the various municipalities and nonprofit entities in the parish. It was determined that these governmental and nonprofit entities are not component units of Richland Parish Police Jury reporting entity. With the exception of the District Attorney and Judges for the Fifth Judicial District, these entities have separately elected governing bodies, are legally separate, and are fiscally independent of the Jury. They are considered by the Jury to be separate autonomous entities and issue financial statements separate from those of Richland Parish Police Jury reporting entity.

Government-Wide Financial Statements:

The government-wide financial statements include the statement of net position and the statement of activities that report financial information for the primary government (Jury). Individual funds are not displayed but the statements report governmental activities, generally supported by taxes and intergovernmental revenues. The Jury has no business-type activities, generally financed in whole or in part with fees charged to external customers.

NOTES TO FINANCIAL STATEMENTS

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report licenses, permits, fees, fines, forfeitures, and other charges to users of the Jury's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements:

Fund financial statements are provided for governmental funds with major individual governmental funds reported in separate columns and a composite column for non-major governmental funds.

Basis of Accounting, Measurement Focus, and Financial Statement Presentation:

The financial statements of the Jury are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Jury considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest related to long-term debt, as well as expenditures related to compensated absences, which are reported as expenditures in the year due. This same measurement focus and basis of accounting is used to calculate expenditures of federal awards.

NOTES TO FINANCIAL STATEMENTS

Major revenue sources susceptible to accrual are property taxes, sales taxes, gross receipts taxes, intergovernmental revenues, and fines and forfeitures. In general, other revenues are recognized when cash is received.

Fund Types and Major Funds:

The Jury reports the following major governmental funds:

General Fund - the general operating fund of the Jury and accounts for all financial resources, except those required to be accounted for in other funds.

Capital Projects Fund - accounts for financial resources received and used for the acquisition, construction, or improvement of assets not reported in the other governmental funds.

Road Maintenance Fund - constructing, maintaining, and repairing public roads and bridges in the parish and for acquiring, maintaining, and/or operating road machinery and equipment.

Drainage Maintenance Fund - maintaining drainage canals and ditches in the parish and for acquiring, maintaining, and/or operating drainage machinery equipment.

Library Fund - maintaining the public libraries.

Budgets and Budgetary Accounting:

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer prior to December 31 of each year. During November, the finance committee reviews the proposed budgets and makes changes as it deems appropriate. Notice of the location and the availability of the proposed budgets for public inspection and the date of the public hearing to be conducted on the budgets are then advertised in the official journal of the Jury. Prior to its regular December meeting, the Jury conducts a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearing and the desires of the Jury as a whole. The budgets are then adopted during a December meeting and notice of adoption, that includes budget summaries, is published in the official journal.

The secretary/treasurer presents necessary budget amendments to the Jury during the year when, in her judgement, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The formal adoption of amendments is included in the Jury's minutes published in the Jury's official journal.

NOTES TO FINANCIAL STATEMENTS

The Jury adopted annual budgets for all of the governmental funds on December 3, 2012. The annual budgets were prepared on a non-GAAP budgetary basis of accounting. All budget amendments were approved by the Jury. The budgetary comparison schedules included in the accompanying financial statements include the original and final adopted budgets. Amending the budgets to actual cash amounts at each December 31 is the common practice of the Jury and such was approved by the Jury on December 2, 2013. All annual appropriations lapse at fiscal year end.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash:

Cash includes amounts in demand deposits. Under state law, the Jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

State law allows the Jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Receivables:

Significant receivables include property tax revenues.

Uncollectible Allowance:

The statements contain no provision for uncollectible accounts. Jury's management is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

NOTES TO FINANCIAL STATEMENTS

Interfund Transactions:

Activity between funds that are representative of lending/borrowing arrangements and other miscellaneous receivables/payables outstanding at the end of the fiscal year are reported as due to/from other funds (i.e. the current portion of interfund loans) in the fund financial statements.

Transfers and payments within the reporting entity that are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis are reported as operating transfers between funds of the reporting entity. Nonrecurring or nonroutine permanent transfers of net position are reported as residual equity transfers.

Interfund transactions are eliminated in the government-wide financial statements while all are reported in the fund financial statements.

Capital Assets and Depreciation:

Capital assets, which include property, plant, and equipment, with useful lives of more than one year, are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are stated at fair value on the date of donation.

The Jury generally capitalizes individual infrastructure assets with cost of \$100,000 or more and all other assets with cost of \$2,500 or more as purchase and construction outlays occur. Jury's management opted upon implementing GASB 34 during the year ended December 31, 2004 not to retroactively report general infrastructure assets as there was no debt associated with those assets.

The costs of normal maintenance and repairs not adding to an asset's value or materially extending its useful life are not capitalized. Upon disposition of capital assets, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

NOTES TO FINANCIAL STATEMENTS

As surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20 - 40 years
Machinery and equipment	5 - 15 years

Accumulated Compensated Absences:

Effective January 1, 2011, the Jury changed its annual leave policy for all employees except for those of the Library. Employees no longer accumulate annual leave and sick pay but earn paid time off depending on the length of their employment. Annual leave accumulated by employees, if any, as of December 31st of each year will be credited to years of service at retirement; therefore, no liability for accumulated compensated absences was recorded in the government-wide financial statements.

Employees of the Library earn from ten to 20 days of annual leave each anniversary year of employment, depending upon professional status. Up to 10 days of annual leave may be accumulated, depending upon professional status. Upon termination of employment, employees may be paid for accumulated annual leave at their current rate of pay. Employees earn 12 days of sick leave each year and may accumulate up to 30 days. Employees are not paid for nonvesting accumulated sick leave upon termination of employment.

The Jury's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

NOTES TO FINANCIAL STATEMENTS

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Estimated accrued compensated absences in an amount considered immaterial resulting from unused annual leave for employees of the Library at the end of the fiscal year are not recorded in the government-wide financial statements. No liability has been recorded in the government-wide or fund financial statements for the immaterial amount of accrued salaries earned by the employees of the Library as of December 31, 2013.

Compensated absences are paid from the fund responsible for the employee's compensation.

Deferred Inflows of Resources:

During the year ended December 31, 2013, the Jury adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The statement clarifies the appropriate reporting of deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting.

In addition to liabilities, the Jury's statement of financial position now reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. Property taxes receivable recorded before the period for which the taxes are actually levied are reported as deferred inflows of resources.

NOTES TO FINANCIAL STATEMENTS

Equity Classifications:

In the government-wide financial statements, equity is classified as net position and displayed in three components:

1. Invested in capital assets - consists of capital assets, net of accumulated depreciation.
2. Restricted - consists of net assets with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted - consists of all other assets that do not meet the definition of "restricted" or "invested in capital assets".

In the fund financial statements, governmental fund equity is classified as fund balance. Beginning with fiscal year 2011, the Jury implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the Jury's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Nonspendable - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
2. Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
3. Committed - amounts constrained to specific purposes by the Jury itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Jury takes the same highest level action to remove or change the constraint;
4. Assigned - amounts that the Jury intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
5. Unassigned - amounts that are available for any purpose; positive amounts are reported only in the General Fund.

NOTES TO FINANCIAL STATEMENTS

Revenue Recognition - Property and Sales Taxes:

Property taxes attach as an enforceable lien on property as of the date of the tax rolls are filed with the recorder of mortgages which, by law, must be on or before November 15 of each year. Billed taxes become delinquent on January 1 of the following year. Richland Parish Sheriff bills and collects the Jury's property taxes using the assessed values determined by Richland Parish Tax Assessor.

Sales/use taxes collected and held by other governments at year end on behalf of the Jury and those collected by other governments and remitted to the Jury within 60 days after December 31 for preceding months are recognized as revenue. The sales/use taxes are collected by Richland Parish Sales and Use Tax Commission and remitted to the Jury.

Note 2. Deposits with Financial Institutions

The following is a summary of cash (book balances) held by the Jury as of December 31, 2013:

Interest bearing demand deposits	\$ 7,783,346
Non-interest bearing demand deposits	93,495
Petty cash	<u>170</u>
	<u>\$ 7,877,011</u>

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities were held in the name of the pledging fiscal agent bank in a holding or custodial bank that was mutually acceptable to both parties.

As of December 31, 2013, the Jury had \$7,909,326 in deposits (collected bank balances). These deposits were secured from risk by \$344,554 of federal deposit insurance and \$7,564,772 of pledged securities held by the counterparty's trust department or agent in the Jury's name.

There were no repurchase or reverse repurchase agreements as of December 31, 2013. The Jury had not formally adopted deposit and investment policies as of December 31, 2013 that limit the Jury's allowable deposits or investments and address the specific types of risk to which the Jury is exposed.

NOTES TO FINANCIAL STATEMENTS

Note 3. Receivables

A summary of receivables as of December 31, 2013 is as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Road Maintenance</u>	<u>Library</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
Property taxes	\$ 1,101,174	\$ -	\$ -	\$ 1,343,506	\$ 235,669	\$ 2,680,349
Intergovernmental:						
Beer taxes	2,304	-	-	-	-	2,304
Severance taxes	10,161	-	-	-	-	10,161
Parish Transportation Act	-	-	52,545	-	-	52,545
State and federal grants	3,953	51,750	-	-	-	55,703
Other	414	-	-	-	-	414
Fees, charges, and commissions for services	2,118	-	-	-	-	2,118
Fines and forfeitures	<u>323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323</u>
	<u>\$ 1,120,447</u>	<u>\$ 51,750</u>	<u>\$ 52,545</u>	<u>\$ 1,343,506</u>	<u>\$ 235,669</u>	<u>\$ 2,803,917</u>

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NOTES TO FINANCIAL STATEMENTS

Note 4. Taxes

The following is a summary of authorized and levied property taxes for the year ended December 31, 2013:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General corporate purposes	8.88	8.88	Perpetual
Health unit	1.17	1.17	2018
Library	6.67	6.67	2018

Total property taxes levied were \$2,680,349 for the above millages. As of December 31, 2013, property taxes receivable was \$2,680,349.

The following were the principal property taxpayers for Richland Parish as a whole:

<u>Taxpayer</u>	<u>Total Assessed Valuation</u>
Conagra Foods Lamb	\$ 22,161,850
Southeast Supply Header	17,287,690
ETC Tiger Pipeline, LLC	10,895,080
Midcontinent Express Pipeline, LLC	8,507,230

For the year ended December 31, 2013, sales taxes that expire on December 31, 2014 were levied as follows:

<u>Rate</u>	<u>Purpose</u>
78% of 1%	constructing, overlaying, improving, repairing, and maintaining public roads and bridges
14% of 1%	purchase and maintenance of equipment used for constructing, overlaying, improving, repairing, and maintaining public roads and bridges
8% of 1%	maintenance of courthouse
71% of 1/2%	constructing, improving, and maintaining public drains and drainage facilities
25% of 1%	purchase and maintenance of equipment used in constructing, improving, and maintaining public drains and drainage facilities
4% of 1%	maintenance of courthouse

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets and Depreciation

Capital assets and depreciation activity as of and for the year ended December 31, 2013 for the governmental activities is as follows:

	Balance - January 1, <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance - December 31, <u>2013</u>
Capital assets not being depreciated:				
Land	<u>\$ 300,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,273</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 2,854,206	\$ 103,205	\$ -	\$ 2,957,411
Machinery and equipment	<u>3,807,568</u>	<u>96,526</u>	<u>(42,257)</u>	<u>3,861,837</u>
Total capital assets being depreciated	<u>\$ 6,661,774</u>	<u>\$ 199,731</u>	<u>\$ (42,257)</u>	<u>\$ 6,819,248</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 1,327,874	\$ 60,034	\$ -	\$ 1,387,908
Machinery and equipment	<u>3,113,462</u>	<u>222,388</u>	<u>(42,257)</u>	<u>3,293,593</u>
Total accumulated depreciation	<u>\$ 4,441,336</u>	<u>\$ 282,422</u>	<u>\$ (42,257)</u>	<u>\$ 4,681,501</u>
Total capital assets being depreciated, net	<u>\$ 2,220,438</u>	<u>\$ (82,691)</u>	<u>\$ -</u>	<u>\$ 2,137,747</u>

Depreciation expense of the Jury for the year ended December 31, 2013 was charged to the following governmental functions:

General government	\$ 29,460
Public safety	17,865
Public works	202,128
Health and welfare	27,500
Culture and recreation	<u>5,469</u>
	<u>\$ 282,422</u>

NOTES TO FINANCIAL STATEMENTS

Note 6. Interfund Receivables and Payables

A summary of amounts due from/to other funds as of December 31, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
Drainage Maintenance	Road Maintenance	\$ 8,035
Health Unit	General	690
Library	General	<u>3,811</u>
		<u>\$ 12,536</u>

The interfund balances are expected to be repaid within one year from the date of the financial statements.

Note 7. Long-Term Liabilities

The following is a summary of long-term obligation transactions for the year ended December 31, 2013:

	<u>Certificates of Indebtedness</u>
Balance - January 1, 2013	\$ 84,000
Retirements	<u>(84,000)</u>
Balance - December 31, 2013	<u>\$ -</u>

On December 31, 2005, the Jury issued \$700,000 of certificates of indebtedness to a local financial institution to pay the costs of acquiring and constructing improvements and renovations to the courthouse, including equipment, fixtures, and furnishings and to pay costs of issuance of the certificates.

The final principal and interest at 4.75% of \$1,995 on the certificates was paid by the Courthouse Maintenance Fund on March 1, 2013.

NOTES TO FINANCIAL STATEMENTS

Note 8. Pension Plan and Other Pension Liabilities

Plan Description:

Substantially all employees of the Jury are members of Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer defined benefit pension plan, administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Jury are members of Plan A.

Employee Eligibility Requirements:

All employees working at least 28 hours per week and all elected parish officials are eligible to participate.

Retirement Benefits:

Minimum	Years of		Percent of
<u>Age</u>	<u>Service</u>	<u>Factor</u>	Final Average
60	10	3%	30%
55	25	3%	75%
Any age	30	3%	90%

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. The System provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

NOTES TO FINANCIAL STATEMENTS

Funding Policy:

State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by R.S. 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Jury is required to contribute at an actuarially determined rate. The current rate is 16.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The Jury's contributions to the System under Plan A for the years ended December 31, 2013, 2012 and 2011 were \$273,851, \$269,185, and \$275,415, respectively, equal to the required contributions for each year.

Other Pension Liabilities:

The Jury pays a portion of the salaries for employees of the registrar of voters and Fifth Judicial District Criminal Court. These employees are also covered by multiple-employer public employees retirement systems requiring employee and/or employer contributions. The Jury's and employees' contributions to the systems are considered immaterial with respect to the Jury and the benefit systems as a whole.

Note 9. Equity Transfers

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Fifth Judicial District Criminal Court Fund at year end be transferred to the Jury's General Fund. The transfer was not actually made until after year end and will be recorded as revenue in the Jury's General Fund in the next fiscal year.

Pursuant to Louisiana Revised Statute 15:255, the Off-Duty Officers Fund is to transfer to the Fifth Judicial District Criminal Court Fund by January 31st of the following year, all surplus monies. In January 2014, \$23,130 was transferred from the Off-Duty Officers Fund to the Fifth Judicial District Criminal Court Fund, and accordingly, for the year ended December 31, 2013, was reported as payable by the Off-Duty Officers Fund.

NOTES TO FINANCIAL STATEMENTS

Note 10. Operating Leases

As of December 31, 2013, the Jury had entered into 13 equipment operating leases having initial or remaining noncancellable terms in excess of one year. The annual commitments under these leases are as follows:

<u>Year Ending December 31,</u>	<u>Totals</u>
2014	\$ 365,233
2015	254,328
2016	183,623
2017	61,994
2018	<u>20,665</u>
	<u>\$ 885,843</u>

The Jury made rental payments of \$230,960 from the Road Maintenance Fund and \$198,051 from the Drainage Maintenance Fund during the year ended December 31, 2013 under these operating leases.

Note 11. Commitments

On June 28, 2013, the Jury entered into a contract for a \$739,000 infrastructure improvement project. Funding for the project will be provided by \$239,000 from Louisiana Community Development Block Grant, \$250,000 from Louisiana Capital Outlay, and \$250,000 from Delta Regional Authority.

In August 2013, the administrative work began on a street improvement disaster project. The project is expected to be funded entirely with grant proceeds of \$684,802.

As of the date of this report, only \$142,615 had been expended or obligated in total on both of the projects.

Note 12. Contingencies and Risk Management

The Jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Jury carries commercial insurance for all risks of loss, including workers' compensation. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage for each of the past three fiscal years.

NOTES TO FINANCIAL STATEMENTS

As of the date of this report, there were two pending or threatened litigations involving the wrongful termination by the Jury of two employees. The Jury's legal counsel has informed that the claims should fall within the Jury's deductible or self-insured retention.

The Jury participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Jury has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable, if any, as of December 31, 2013 may be impaired. In the opinion of the Jury's management, there are no known significant contingent liabilities as of December 31, 2013 relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note 13. Subsequent Events

Subsequent events were evaluated through June 15, 2014, which is the day the financial statements were available to be issued, and it was determined that only one significant event had occurred requiring disclosure.

On May 3, 2014, a special election was held in which the renewal of the levy and collection of sales and use taxes was defeated. Revenues generated from these taxes fund the majority of the Road Maintenance, Drainage Maintenance, and Courthouse Maintenance Funds' activities. As of the date of this report, a date to place the renewal on an election ballot again had not been decided by the Jury.

REQUIRED SUPPLEMENTARY INFORMATION (Part 2 of 2)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - GENERAL FUND
For the Year Ended December 31, 2013

	<u>Original</u>	<u>Budget</u> <u>Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:				
Taxes	\$ 1,016,000	\$ 1,025,623	\$ 1,067,802	\$ 42,179
Licenses and permits	139,800	160,067	160,067	-
Intergovernmental	349,700	343,351	354,816	11,465
Fees, charges, and commissions for services	23,000	21,279	57,635	36,356
Fines and forfeitures	5,050	7,917	7,917	-
Interest and miscellaneous	5,800	6,612	7,999	1,387
Total revenues	<u>\$ 1,539,350</u>	<u>\$ 1,564,849</u>	<u>\$ 1,656,236</u>	<u>\$ 91,387</u>
Expenditures:				
Current:				
General government:				
Legislative	\$ 266,467	\$ 270,979	\$ 271,158	\$ (179)
Judicial	81,926	64,910	86,825	(21,915)
Elections	47,989	38,833	38,844	(11)
Finance and administrative	1,103,191	374,479	346,083	28,396
Other	18,000	145,612	92,138	53,474
Public safety	314,687	270,140	270,140	-
Health and welfare	71,818	71,750	71,750	-
Economic development and assistance	170,000	94,002	129,347	(35,345)
Capital outlay	10,000	54,665	114,707	(60,042)
Total expenditures	<u>\$ 2,084,078</u>	<u>\$ 1,385,370</u>	<u>\$ 1,420,992</u>	<u>\$ (35,622)</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - GENERAL FUND (Continued)
For the Year Ended December 31, 2013

	<u>Original</u>	<u>Budget</u> <u>Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Excess (deficiency) of revenues over expenditures	\$(544,728)	\$ 179,479	\$ 235,244	\$ 55,765
Other financing sources:				
Operating transfers in	<u>-</u>	<u>1,659</u>	<u>-</u>	<u>(1,659)</u>
Net changes in fund balances	\$(544,728)	\$ 181,138	\$ 235,244	\$ 54,106
Fund balances - beginning (non- GAAP and GAAP budgetary basis)	1,044,728	1,049,236	1,271,804	222,568
Residual equity transfer in	<u>-</u>	<u>36,129</u>	<u>-</u>	<u>(36,129)</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ 500,000</u>	<u>\$ 1,266,503</u>	\$ 1,507,048	<u>\$ 240,545</u>
Adjustments to generally accepted accounting principles:				
Revenue accruals			14,652	
Deferred inflows of resources accruals			7,443	
Expenditure accruals			<u>(4,496)</u>	
Fund balance - ending (GAAP basis)			<u>\$ 1,524,647</u>	

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - ROAD MAINTENANCE FUND
For the Year Ended December 31, 2013

	<u>Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ 2,269,335	\$ 2,407,814	\$ 2,979,009	\$ 571,195
Intergovernmental	250,000	401,755	401,755	-
Fees, charges, and commissions for services	-	104,927	118,958	14,031
Interest and miscellaneous	-	120,470	9,545	(110,925)
Total revenues	<u>\$ 2,519,335</u>	<u>\$ 3,034,966</u>	<u>\$ 3,509,267</u>	<u>\$ 474,301</u>
Expenditures:				
Current:				
Public works	\$ 3,053,335	\$ 3,018,610	\$ 3,221,293	\$(202,683)
Capital outlay	170,000	299,452	77,324	222,128
	<u>\$ 3,223,335</u>	<u>\$ 3,318,062</u>	<u>\$ 3,298,617</u>	<u>\$ 19,445</u>
Excess (deficiency) of revenues over expenditures	\$(704,000)	\$(283,096)	\$ 210,650	\$ 493,746
Other financing sources:				
Sale of capital assets	-	6,450	6,450	-
Net changes in fund balances	\$(704,000)	\$(276,646)	\$ 217,100	\$ 493,746
Fund balances - beginning (non- GAAP and GAAP budgetary basis)	<u>704,000</u>	<u>1,967,789</u>	<u>1,177,660</u>	<u>(790,129)</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ -</u>	<u>\$ 1,691,143</u>	\$ 1,394,760	<u>\$(296,383)</u>
Adjustments to generally accepted accounting principles:				
Revenue accruals			(50,079)	
Expenditure accruals			(11,197)	
Fund balance - ending (GAAP basis)			<u>\$ 1,333,484</u>	

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - DRAINAGE MAINTENANCE FUND
For the Year Ended December 31, 2013

	<u>Original</u>	<u>Budget Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:				
Taxes	\$ 1,184,000	\$ 1,385,239	\$ 1,549,724	\$ 164,485
Intergovernmental	-	22,328	33,492	11,164
Fees, charges, and commissions for services	-	-	1,177	1,177
Interest and miscellaneous	-	-	2,895	2,895
Total revenues	<u>\$ 1,184,000</u>	<u>\$ 1,407,567</u>	<u>\$ 1,587,288</u>	<u>\$ 179,721</u>
Expenditures:				
Current:				
Public works	\$ 1,940,000	\$ 1,181,134	\$ 1,388,399	\$(207,265)
Capital outlay	<u>240,000</u>	<u>200,746</u>	<u>-</u>	<u>200,746</u>
Total expenditures	<u>\$ 2,180,000</u>	<u>\$ 1,381,880</u>	<u>\$ 1,388,399</u>	<u>\$(6,519)</u>
Net changes in fund balances	\$(996,000)	\$ 25,687	\$ 198,889	\$ 173,202
Fund balances - beginning (non-GAAP and GAAP budgetary basis)	<u>996,000</u>	<u>2,376,121</u>	<u>1,340,300</u>	<u>(1,035,821)</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ -</u>	<u>\$ 2,401,808</u>	\$ 1,539,189	<u>\$(862,619)</u>
Adjustments to generally accepted accounting principles:				
Expenditure accruals			<u>11,922</u>	
Fund balance - ending (GAAP basis)			<u>\$ 1,551,111</u>	

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - LIBRARY FUND
For the Year Ended December 31, 2013

	<u>Original</u>	<u>Budget Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:				
Taxes	\$ 817,000	\$ 1,225,533	\$ 1,275,884	\$ 50,351
Intergovernmental	50,871	50,486	50,631	145
Fees, charges, and commissions for services	3,300	3,300	5,623	2,323
Fines and forfeitures	2,950	2,950	9,574	6,624
Interest and miscellaneous	25,700	27,205	21,282	(5,923)
Total revenues	<u>\$ 899,821</u>	<u>\$ 1,309,474</u>	<u>\$ 1,362,994</u>	<u>\$ 53,520</u>
Expenditures:				
Current:				
Culture and recreation	\$ 2,183,371	\$ 3,334,293	\$ 737,358	\$ 2,596,935
Capital outlay	32,000	28,000	-	28,000
	<u>\$ 2,215,371</u>	<u>\$ 3,362,293</u>	<u>\$ 737,358</u>	<u>\$ 2,624,935</u>
Excess (deficiency) of revenues over expenditures	\$(1,315,550)	\$(2,052,819)	\$ 625,636	\$ 2,678,455
Other financing sources (uses):				
Operating transfers in (out)	(12,000)	(12,000)	-	12,000
Net changes in fund balances	\$(1,327,550)	\$(2,064,819)	\$ 625,636	\$ 2,690,455
Fund balances - beginning (non-GAAP and GAAP budgetary basis)	<u>1,327,550</u>	<u>2,064,819</u>	<u>2,016,937</u>	<u>(47,882)</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ -</u>	<u>\$ -</u>	\$ 2,642,573	<u>\$ 2,642,573</u>
Adjustments to generally accepted accounting principles:				
Revenue accruals			22,124	
Deferred revenue accruals			2,028	
Expenditure accruals			<u>1,977</u>	
Fund balance - ending (GAAP basis)			<u>\$ 2,668,702</u>	

OTHER SUPPLEMENTARY INFORMATION

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2013

	Health <u>Unit</u>	Off-Duty <u>Officers</u>	Courthouse <u>Maintenance</u>	Total Non-Major Governmental <u>Funds</u>
ASSETS				
Cash	\$ 509,675	\$ 23,692	\$ 104,049	\$ 637,416
Receivables	235,669	-	-	235,669
Due from other funds	<u>690</u>	<u>-</u>	<u>-</u>	<u>690</u>
Total assets	<u>\$ 746,034</u>	<u>\$ 23,692</u>	<u>\$ 104,049</u>	<u>\$ 873,775</u>
LIABILITIES				
Accounts payable	<u>\$ 2,448</u>	<u>\$ 23,130</u>	<u>\$ 4,700</u>	<u>\$ 30,278</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	<u>\$ 235,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,669</u>
FUND BALANCES				
Restricted for special revenue	<u>\$ 507,917</u>	<u>\$ 562</u>	<u>\$ 99,349</u>	<u>\$ 607,828</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 675,114</u>	<u>\$ 27,235</u>	<u>\$ 153,850</u>	<u>\$ 1,023,324</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	<u>Health Unit</u>	<u>Off-Duty Officers</u>	<u>Courthouse Maintenance</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:				
Taxes	\$ 228,044	\$ -	\$ 323,883	\$ 551,927
Intergovernmental	13,672	-	-	13,672
Fees, charges, and commissions for services	-	-	235	235
Fines and forfeitures	-	24,971	-	24,971
Interest and miscellaneous	1,874	27	158	2,059
Total revenues	<u>\$ 243,590</u>	<u>\$ 24,998</u>	<u>\$ 324,276</u>	<u>\$ 592,864</u>
Expenditures:				
Current:				
General government:				
Judicial	\$ -	\$ 24,630	\$ -	\$ 24,630
Other	-	-	271,066	271,066
Public works	-	-	3,680	3,680
Health and welfare	169,778	-	-	169,778
Debt service	-	-	85,995	85,995
Capital outlay	-	-	7,700	7,700
	<u>\$ 169,778</u>	<u>\$ 24,630</u>	<u>\$ 368,441</u>	<u>\$ 562,849</u>
Net changes in fund balances	\$ 73,812	\$ 368	\$ (44,165)	\$ 30,015
Fund balances - beginning	<u>434,105</u>	<u>194</u>	<u>143,514</u>	<u>577,813</u>
Fund balances - ending	<u><u>\$ 507,917</u></u>	<u><u>\$ 562</u></u>	<u><u>\$ 99,349</u></u>	<u><u>\$ 607,828</u></u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF JURORS' COMPENSATION
For the Year Ended December 31, 2013

The schedule of compensation paid to jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the Jury has elected the monthly payment method of compensation. Under this method, the jurors each received \$1,600 per month as follows:

Jesse B. Washington	\$ 19,200
Milton V. Linder	19,200
Steve Lofton	19,200
Ronald F. Gilley	19,200
Gordon R. Medlin	19,200
Kenneth McKay	19,200
Althan Smith	19,200
Sharon D. Gee	19,200
Elliot D. Colvin	<u>19,200</u>
 Total jurors' compensation	 <u>\$ 172,800</u>

HILL, INZINA & COMPANY

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richland Parish Police Jury (the "Jury"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Jury's primary government and have issued our report thereon dated June 13, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Jury's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Jury's internal control. Accordingly, we do not express an opinion on the effectiveness of the Jury's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Jury's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2013-1, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Jury's Responses to Finding

The Jury's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Jury's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jury's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Jury's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by Louisiana Legislative Auditor as a public document.

/s/ Hill, Inzina & Co.

June 13, 2014

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH
MANAGEMENT'S RESPONSE AND PLANNED CORRECTIVE ACTION
As of and for the Year Ended December 31, 2013

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richland Parish Police Jury (the "Jury"), as of and for the year ended December 31, 2013, which collectively comprise the basic financial statements of the Jury's primary government and have issued our report thereon dated June 13, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Our audit of the financial statements as of December 31, 2013 resulted in an unqualified opinion on the primary government's governmental activities, each major fund, and the aggregate remaining fund information. An adverse opinion was rendered on the aggregate discretely presented component units.

Section I - Summary of Auditor's Reports

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Internal Control

Significant Deficiencies ☒ Yes ☐ No Material Weaknesses ☐ Yes ☒ No

Compliance

Material to Financial Statements ☒ Yes ☐ No

Section II - Financial Statement Findings

2013-1 Inadequate Segregation of Duties (initially cited in first audit conducted by our firm as of and for the two years ended December 31, 1992)

Criteria: Adequate segregation of duties is essential to a proper internal control structure.

Condition: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic limitations.

Effect: Not determined.

Recommendation: No action is recommended.

Management's response and planned corrective action: Management does not have enough employees to adequately segregate the duties; however, changes have been made in the office to help ensure a system of checks and balances.

2013-2 Noncompliance with Public Bid Law (initial citing)

Criteria: The Public Bid Law (found in statute R.S. 38:2211, et seq.) governs the purchase of public works, and materials and supplies by public entities. The law requires purchases of materials and supplies totaling \$30,000 or more to be bid. Advertisement for bid shall be published two times in a newspaper in the locality.

Condition: The Jury purchased a tractor costing \$55,174 without advertising for bid.

Cause: The Jury did not adhere to the public bid law.

Effect: Not determined.

Recommendation: Future purchases should be made in compliance with the public bid law.

Management's response and planned corrective action: We concur in the finding. Price quotes were gotten before the purchase was made but it was not officially advertised for bid.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2013

Section I - Internal Control and Compliance Material to Financial Statements

2012-1 Inadequate Segregation of Duties

Adequate segregation of duties is essential to a proper internal control structure.

Unresolved - 2013-1.

2012-2 Improvement of Internal Controls and Compliance

Internal control policies and procedures have not been established or implemented to provide reasonable assurance that assets are safeguarded against loss resulting from unauthorized use and that transactions are executed in accordance with management's authorization.

Resolved.

Section II - Management Letter

None issued.